



AHFC 4

Regular Item  
CITY OF AUSTIN  
RECOMMENDATION FOR BOARD ACTION

AGENDA DATE: 6/8/2006

**Subject:** Approve the negotiation and execution of a loan to the Guadalupe Neighborhood Development Corporation, or its affiliate, under the Rental Housing Development Assistance Program, in an amount not to exceed \$500,000 in compliance with applicable federal regulations including the Code of Federal Regulations Title 24 Section 85.40 performance goals, to assist in the development and construction of a 22-unit rental housing facility for low and moderate-income families located at 813 East 8th Street, Austin, TX.

**Amount and Source of Funding:** Funding is available in the Fiscal Year 2005-2006 Austin Housing Finance Corporation budget allocation under the Rental Housing Development Assistance Program. It is anticipated that the transaction will be funded with HOME Investment Partnership Act program funds and funds from the City of Austin Housing Trust Fund.

**Fiscal Note:** There is no unanticipated fiscal impact. A fiscal note is not required.

**For More Information:** Paul Hilgers, Executive Director, Austin Housing Finance Corporation, 974-3108.

**Prior Council Action:**

**Boards and Commission Action:**

**Purchasing Language:**

**MBE/WBE:**

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Following approval, Rental Housing Development Assistance (RHDA) Program financing will assist Guadalupe Neighborhood Development Corporation (GNDC) in the development and construction of La Vista de Guadalupe, a 22-unit rental housing apartment facility for low and moderate-income families located in the Guadalupe neighborhood at 813 East 8th Street. The development will consist of a residential structure and parking garage measuring a total of 13,604 square-feet. The complex will include an elevator for access to upper floors from the parking garage, and numerous other amenities including a washer and dryer in each unit, common recreation areas, and management offices measuring 1,496 square-feet. Approval will enable staff to issue a commitment of RHDA Program financing of the project subject to program and applicable environmental review and fund release requirements. A loan will be negotiated and executed with the GNDC, or its affiliate, in an amount not to exceed \$500,000 for a term of 30 years at zero percent interest, or such other terms as determined necessary and appropriate to finance the project. The loan will be repaid through annual installments of \$16,667 for the duration of the 30-year period. Austin Housing Finance Corporation's (AHFC) commitment is necessary at this time to allow the project to be eligible for approval of federal Low-Income Housing Tax Credits (LIHTCs) by the Texas Department of Housing and Community Affairs (TDHCA). The residential portion of the development will be comprised of six one-bedroom/one-bath units each measuring 748 square-feet in size; eight two-bedroom/one bath units each measuring 1,092 square feet in size; and eight three-bedroom/two bath units measuring 1,537 square-feet in size. All 22 units will serve families

with yearly incomes not to exceed 60 percent of the Austin area's median family income (MFI) (currently \$42,650 for a family of four) of which 18 units will be reserved for families with yearly incomes not to exceed 50 percent of MFI (currently \$35,550 for a family of four) including one unit for families with yearly incomes not to exceed 30 percent of MFI (currently \$21,350 for a family of four). Monthly rents are projected to range from \$306 to \$350 for one-bedroom units; \$450 to \$475 for two-bedroom units; and \$550 to \$575 for three-bedroom units. Monthly tenant rents plus utility allowances will not exceed 30% of households' monthly incomes. Families with Section 8 rent subsidy vouchers will be accepted into the facility. Three units will be made fully accessible for persons with mobility disabilities, and one unit will be accessible for persons with hearing and vision disabilities. All ground-floor units will be adaptable for persons with disabilities. The project will be developed in accordance with applicable S.M.A.R.T. Housing™ standards. The project is proposed under the RHDA Program that provides federal and non-federal assistance as gap financing for the development of affordable rental housing for low- and moderate-income families and persons with special needs. Projected sources and uses of funds for the project are provided in Attachment 1. Performance measures associated with the project are as follows: 1. Develop 22 units of affordable rental housing for low- and moderate-income families. 2. Ensure at least three units are made accessible for persons with mobility disabilities, and one unit accessible for persons with hearing and vision disabilities. 3. Complete the project in accordance with applicable S.M.A.R.T. Housing™ standards. GNDC is a non-profit 501(c)(3) organization and is certified by the City of Austin as a Community Housing Development Organization (CHDO). The GNDC was established in 1981 to provide affordable housing for low and moderate-income families residing in the Guadalupe neighborhood. Since 1981, the GNDC has developed 126 units of affordable housing, including 43 units of rental housing that the GNDC currently owns and operates. The requested funding is available in the Fiscal Year 2005-2006 budget allocation of the AHFC, and the request is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market rate financing for the development of affordable rental housing for low- and moderate-income households and persons with special needs.

La Vista de Guadalupe  
Guadalupe Neighborhood Development Corp.

Sources and Uses of Funds:

Sources:

TDHCA LIHTCs	\$ 3,368,043
Private financing	125,000
Owner equity	5,996
AHFC RHDA funds	<u>500,000</u>
Total	\$ 3,999,039

Uses:

Predevelopment	\$ 284,900
Land	350,000
Construction	2,714,639
Soft/carrying costs	573,500
Other/contingency costs	<u>76,000</u>
Total	\$ 3,999,039